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OCT 27 1982

LAW OFFICES

PRUITT, GUSHEE & FLETCHER

SUITE 1850 BENEFICIAL LIFE TOWER

SALT LAKE CITY, UTAH 84111

(801) 531-8446

ROBERT G. PRUITT, JR.  
OLIVER W. GUSHEE, JR.  
F. ALAN FLETCHER  
RICHARD B. JOHNS  
ROBERT G. PRUITT, III  
LAWRENCE S. SKIFFINGTON  
THOMAS W. BACHTELL

October 22, 1982

Mr. Tom Frazer  
Amax Magnesium Corporation  
232 North 2200 West  
Salt Lake City, UT 84116

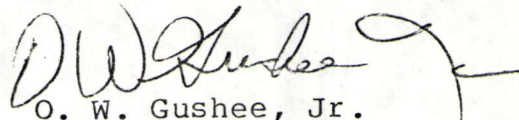
Re: Mined Lands Reclamation Bond -  
State of Utah

Reference is made to our recent telephone conversation in which I informed you that the State had supplied me with a substitute reclamation bond form to be completed and filed in connection with the mining plan presently on record dated April 16, 1979, on the Rowley Operation. I have partially completed and am enclosing a copy of the bond form for your further handling. You will note that the blank appearing in the second line must be completed naming the surety who writes the bond and also, officials of both Amax Magnesium Corporation and the surety company need to execute the bond. I am also enclosing a copy of the Utah Statute which sets forth the requirement for the bond on transfers of interest in property subject to a mining plan.

The amount of the bond is the amount determined by the State at the time that the mining plan of NL Industries was approved by the Division of Oil, Gas and Mining. Jim Smith of that agency has informed me that the amount is sufficient. By carbon copy of this letter, I am transmitting a copy of the proposed form to Jim Smith, Coordinator of Mined Land Development, Division of Oil, Gas and Mining, State of Utah, for his information.

If you have any questions or comments in respect to this matter, please let me know. If you will return the completed and executed bond to me, I will file it along with the general conveyance document as requested by the statute.

Very truly yours,

  
O. W. Gushee, Jr.

OWG:dl  
0608.02

Enclosures

cc: James W. Smith, Jr.  
Coordinator  
Mined Land Development  
4241 State Office Building  
Salt Lake City, UT 84114

RECEIVED

OCT 25 1982

DIVISION OF  
OIL, GAS & MINING

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**COPY**

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING  
~~1588 West North Temple~~ 4241 State Office Building  
Salt Lake City, Utah ~~84116~~ 84114

## THE MINED LANDS RECLAMATION ACT

## BOND

\*\*\*\*\*

KNOW ALL MEN BY THESE PRESENCE, that the undersigned AMAX MAGNESIUM CORPORATION as principal, and \_\_\_\_\_ as surety, are held and firmly bound unto the State of Utah, Division of Oil, Gas, and Mining, in the penal sum of Fifteen Thousand Two Hundred Seventy-Eight & 08/100 dollars (\$15,278.08) for the payment of which sum, will and truly be made, we hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH that whereas ~~the above~~ NL Industries, Inc., the above-named principal's predecessor in interest, ~~named principal~~ did on the 16th day of April 19 79, file with the Division of Oil, Gas, and Mining a "Notice of Intention to Commence Mining Operations" and a "Mining and Reclamation Plan", to secure authorization to engage in mining operations in the State of Utah, under the terms and provisions of the Mined Land Reclamation Act; that in said Notice the principal estimated that 640 acres of land will be affected by mining. Said land is described as follows in Exhibit "A" attached hereto.

NOW, if the said principal shall satisfactorily reclaim the above men-